

**STATE OF NEW MEXICO
DEPARTMENT OF ENERGY, MINERALS AND NATURAL RESOURCES
OIL CONSERVATION DIVISION**

**APPLICATION OF MEWBOURNE OIL COMPANY
FOR COMPULSORY POOLING,
EDDY COUNTY, NEW MEXICO**

CASE NO. 20495

PRE-HEARING STATEMENT

Jeffrey M. Johnston and wife, Sandra K. Johnston, Sand Dollar Petroleum, Inc. and Michael A. Short., by Candace Callahan of Beatty & Wozniak, P.C., provides this Pre-Hearing Statement as required by the rules of the Division.

APPEARANCES

APPLICANT

Mewbourne Oil Company
Suite 1020
500 West Texas
Midland, Texas 79701
Attn: Corey Mitchell
(432) 682-3715

APPLICANT'S ATTORNEY

James Bruce
P. O. Box 1056
Santa Fe, New Mexico 87504
(505) 982-2043

OTHER PARTY OR OPPONENT

Jeffrey M. Johnston
Sandra K. Johnston
Sand Dollar Petroleum, Inc.
Michael A. Short

ATTORNEY

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COG Operating LLC	Ocean Munds-Dry William F. Carr Elizabeth A. Ryan 1048 Paseo de Peralta Santa Fe, New Mexico 87501 (505) 780-8000 omundsdry@concho.com wcarr@concho.com eryan@concho.com
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STATEMENT OF THE CASE

Applicant, Mewbourne Oil Company (“Mewbourne”), seeks an order pooling all mineral interests in the Bone Spring formation underlying a horizontal spacing unit comprised of the N/2S/2 of Section 9 and the N/2S/2 of Section 10, Township 20 South, Range 29 East, NMPM, Eddy County, New Mexico. The unit will be dedicated to the Perazzi 9-10 B2LI Fed. Com Well No. 1H, a horizontal well with a first take point in the NW/4SW/4 of Section 9, and a final take point in the NE/4SE/4 of Section 10. Also to be considered will be the cost of drilling and completing the well and the allocation of the cost thereof, as well as actual operating costs and charges for supervision, designation of applicant as operator of the well, and a 200% charge for the risk involved in drilling and completing the well.

To date, Applicant has been non-responsive to communications initiated by Jeffrey M. Johnston and wife, Sandra K. Johnston, Sand Dollar Petroleum, Inc. and Michael A. Short (“Johnston et al”). Requests for supporting documentation of Applicant’s proposal have gone unanswered. Although Johnston et al are interested in committing their respective interests to the proposed well, they require the additional requested documentation to enable them to effectively evaluate Mewbourne’s well proposal in this case.

PROPOSED EVIDENCE

APPLICANT

WITNESSES

ESTIMATED TIME

EXHIBITS

Tyler Jolly
(landman)

15 minutes

Approx. 5

Charlie Crosby
(geologist)

10 minutes

Approx. 5

JEFFREY M. JOHNSTON, SANDRA K. JOHNSON, SAND DOLLAR PETROLEUM, INC. AND MICHAEL A. SHORT

WITNESSES

ESTIMATED TIME

EXHIBITS

Jeffrey M. Johnston
(WI Owner)

10 minutes

Approx. 1

COG OPERATING LLC

WITNESSES

ESTIMATED TIME

EXHIBITS

Unknown

PROCEDURAL MATTERS

If the documentation requested by Johnston et al, as recently specifically delineated in an email between counsel for Applicant and Johnston et al, is received by Johnston's counsel on or before 12:00 p.m., noon, on Monday, July 22, 2019, opposition to this application and to Applicant's presentation of this case by affidavit will be withdrawn.

BEATTY & WOZNIAK, P.C.

By:



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ATTORNEYS FOR JEFFREY M. JOHNSTON, SANDRA K. JOHNSON, SAND DOLLAR PETROLEUM, INCL. AND MICHAEL A. SHORT

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing was served on counsel of record by electronic mail on July 18, 2019.

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